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PREPARED BY:  
DATE PREPARED:  
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Sandy Sostad  
February 10, 2011  
471-0054

**LB 289**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2011-12</b>		<b>FY 2012-13</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$200		\$400
CASH FUNDS	\$29,250	\$825		\$2,000
FEDERAL FUNDS				
HIGHWAY TRUST FUND		See Below		See Below
<b>TOTAL FUNDS</b>	<b>\$29,250</b>	<b>\$1,025</b>		<b>\$2,400</b>

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 289 pertains to low-speed vehicles. The bill allows low-speed vehicles to be operated on a highway on which the speed limit does not exceed 35 miles per hour. The bill requires that all low-speed vehicles sold in the state on or after January 1, 2012 be titled and registered. The registration fee is \$15. The bill allows the Department of Roads (NDOR) to prohibit the operation of low-speed vehicles on any highway, if it determines it is necessary in the interest of public safety. The bill also repeals the Alternative Fuel Tax Act and provides for a \$75 fee to be paid upon registration of a vehicle powered by an alternative fuel.

Expenditures: The Department of Motor Vehicles (DMV) will incur an estimated one-time cost of \$29,250 of cash funds in FY 2011-12 for computer programming to modify the Vehicle Title Registration System to incorporate the titling and registering of low-speed vehicles and the collection of the alternative fuel fee. It is possible NDOR will have increased expenses for signs to prohibit low-speed vehicles on certain highways. No fiscal impact is estimated at this time.

Owners of motor vehicles powered by alternative fuels currently apply to the Department of Revenue for an annual alternative fuel user permit. The fee for a permit is \$75 fee which is deposited in the Highway Trust Fund. The bill provides for the collection of the \$75 fee at the time a motor vehicle is registered. The repeal of the Alternative Fuel Tax Act will minimally reduce the workload of the Department of Revenue. No fiscal impact is anticipated for the department.

Revenues: The number of low-speed vehicles is unknown. DMV estimates there may be about 100 low-speed vehicles titled in the initial year and an additional 100 titled in the second year. NDOR estimates there could be about 1,000 low-speed vehicles registered each year. Assuming there are 100 low-speed vehicles titled in 2011-12 and an additional 200 titled in 2012-13, the following chart shows the estimated revenue from title and registration fees. The revenue reverting to the Highway Trust Fund is remitted to NDOR (53 1/3%), cities (23 1/3%), and counties (23 1/3%).

The change in paying the alternative fuel fee during the registration process rather than to the Department of Revenue is revenue neutral for the Highway Trust Fund because the \$75 fee is unchanged by the bill.

Title Fees 2011-12				Title Fees 2012-13			
Entity	Fee	Est. # of Titles	Revenue	Entity	Fee	Est. # of Titles	Revenue
General Fund	\$2.00	100	200	General Fund	\$2.00	200	400
DMV Cash Fund	\$4.00	100	400	DMV Cash Fund	\$4.00	200	800
Attorney General CF	\$0.20	100	20	Attorney General CF	\$0.20	200	40
State Patrol Cash Fund	\$0.45	100	45	State Patrol Cash Fund	\$0.45	200	90
Mtr. Veh. Ind. Lic. CF	\$0.10	100	10	Mtr. Veh. Ind. Lic. CF	\$0.10	200	20
Counties	<u>\$3.25</u>	100	<u>325</u>	Counties	<u>\$3.25</u>	200	<u>650</u>
<b>Total Title Fees</b>	<b>\$10.00</b>		<b>\$1,000</b>	<b>Total Title Fees</b>	<b>\$10.00</b>		<b>\$2,000</b>

		Registration Fees 2011-12				Registration Fees 2012-13	
Entity	Fee	Est. # of Regs.	Revenue	Entity	Fee	Est. # of Regs.	Revenue
Highway Trust Fund	\$15.00	100	1,500	Highway Trust Fund	\$15.00	300	4,500
DMV Cash Fund	\$1.50	100	150	DMV Cash Fund	\$1.50	300	450
Recreation Road Fund	\$1.50	100	150	Recreation Road Fund	\$1.50	300	450
Emerg. Med. Sys. Op. Fund	\$0.50	100	50	Emerg. Med. Sys. Op. Fund	\$0.50	300	150
Counties	<u>\$2.00</u>	100	<u>200</u>	Counties	<u>\$2.00</u>	300	<u>600</u>
<b>Total Registration Fees</b>	<b>\$20.50</b>		<b>\$2,050</b>	<b>Total Registration Fees</b>	<b>\$20.50</b>		<b>\$6,150</b>

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	DATE	1/31/11	PHONE	471-2526
COMMENTS					
NEBRASKA DEPARTMENT OF MOTOR VEHICLES: No basis to dispute agency analysis for the DMV.					
DEPARTMENT OF ROADS: No basis to dispute agency analysis relative to the Department of Roads.					
DEPARTMENT OF REVENUE: The Department of Roads' fiscal note on LB 289 indicates the Highway Trust Fun would see a minor revenue increase of \$3,600 in FY 2011-12 and of \$8,800 in FY 2012-13.					
No basis to dispute Department of Revenue's assumption that the bill will have no cost impact on the agency.					

**LB 289 FISCAL NOTE**

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**NEBRASKA DEPARTMENT OF MOTOR VEHICLES**

LEGISLATIVE FISCAL  
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Date Prepared: #####

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$ 200		\$ 200
CASH FUNDS	\$ 29,250	\$ 550		\$ 700
TRUST FUNDS		\$ 2,250		\$ 3,750
OTHER FUNDS		\$ 800		\$ 1,200
TOTAL FUNDS	\$ 29,250	\$ 3,800	\$ -	\$ 5,850

Explanation of Estimate:

LB 289 provides for the titling and registration of low-speed vehicles and a new alternative fuel fee. It is estimated that approximately 100-200 such vehicles would be titled and registered each year. The VTR system will require modifications to accommodate the alternative fuel fee and add the low speed vehicle class to the database. It is estimated that 390 programming hours will be needed to make the changes. Due to the expected low numbers the license plate appropriation is adequate to handle the increase.

Expenditures	Hrs.	Rate	Total
Computer Programming	390	\$ 75	\$ 29,250

Revenues		2012	2013
<i>Title Fees</i>			
County Retained	\$ 3.25	\$ 325	\$ 325
DMV Cash Fund	\$ 4.00	\$ 400	\$ 400
State General Fund	\$ 2.00	\$ 200	\$ 200
Other	\$ 0.75	\$ 75	\$ 75
<i>Registration Fees</i>			
Highway Trust Fund	\$ 15.00	\$ 1,500	\$ 3,000
DMV Cash Fund	\$ 1.50	\$ 150	\$ 300
Road Recreation Fund	\$ 1.50	\$ 150	\$ 300
EMS Fund	\$ 0.50	\$ 50	\$ 100
County Retained	\$ 2.00	\$ 200	\$ 400
<i>Alternative Fuel Fee</i>			
Highway Trust Fund	\$ 75.00	\$ 750	\$ 750

**MAJOR OBJECTS OF EXPENDITURE**

POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Benefits				
Operating			\$ 29,250	
Travel				
Capital Outlay				
Aid				
Capital Improvements				
Total			\$ 29,250	\$ -



